

# CITY OF GROTON UTILITIES COMMISSION

Minutes of Regular Meeting

January 27, 2016

## 1. CALL TO ORDER

Chairperson Galbraith called the meeting to order at 10:42 a.m.

## ROLL CALL

**Present:** Chairperson Mayor Marian K. Galbraith

**Commissioners:** Shirleyann Dunbar-Rose, Edward E. DeMuzzio, Paul A. Duarte, Jeffrey Godley

**Staff present:** Director of Utilities Ronald A. Gaudet  
General Manager-IT Susan G. Blanchette-Gergen  
General Manager-Utility Finance David F. Collard  
General Manager-Customer Service Tina M. Daniels  
General Manager-Key Accounts Leonard J. Mediavilla  
Manager-Engineering Brian J. Roche  
Manager-Water/PAF Richard M. Stevens  
Manager-Operations Randall S. Surprenant  
Energy Engineer Hollis C. McKee  
Utility Analytics Specialist Aaron K. Brooks  
Executive Assistant Deborah J. Gaudette

## 2. APPROVAL OF MINUTES

**Commissioner Dunbar-Rose** moved, **Commissioner Godley** seconded a motion to approve the minutes of the special meeting of December 16, 2015. **Motion carried.**

## 3. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

**Commissioner Godley** moved, **Commissioner Duarte** seconded a motion to approve the Treasurer's Report for the month ending December 31, 2015. **Motion carried.**

## 4. COMMUNICATIONS AND CORRESPONDENCE

There were no communications or correspondence to report.

## 5. PUBLIC COMMUNICATIONS

There were no public comments.

## 6. CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE (CMEEC) BOARD OF DIRECTORS REPORT

Commissioner DeMuzzio reported a presentation was given by Brightfields on the current / proposed solar projects.

## 7. REGIONAL WATER UPDATE

Mayor Galbraith attended the recent Southeastern Connecticut Water Authority meeting. Former Groton Utilities employee, Mr. Marty Artale, is now a member.

## 8. MONTHLY FINANCIAL HIGHLIGHTS

General Manager Collard presented the following financial highlights:

### *Electric:*

- Overall Electric revenues for December are almost 8.4% less than budget, and 12.2% less than last year. The variance is driven by the Residential class, which is almost 18% less than budget. For the fiscal year-to-date, revenues are 3.5% below budget. The negative variance is driven by one Industrial – Non-Manufacturing customer, which is 9.5% below budget for the six (6) month period.

- This December was much warmer than last year. Heating degree day requirements were 34% less than last year. The effects of the warmer month is apparent when comparing the Residential revenues that are almost 14% less than last December.
- Operation and Maintenance expenses for December were 9.6% less than budget, and for the fiscal year-to-date are 10% less than budget. The variance is likely the result of a push to move forward on capital projects.
- Net Income from Operations for December is almost 156% more than budget, and 24% more than budget for the fiscal year-to-date. Net Income after the effects of TVC is positive, \$67,000, compared to a budgeted loss for the month, and 24% more for the fiscal year-to-date.
- During December, \$500,000 was donated to the Connecticut Housing Tax Credit program and \$112,000 was donated to the Neighborhood Assistance program. No Gross Earning Tax will be paid in January due to the credits received and an amended return is being submitted for refund for the quarter ending September 2015.

*Water:*

- Water Division cash due from Electric is over \$4 million, compared to last year's balance of \$2 million. Days Cash on Hand is 192 days. Combined Days Cash on Hand for Water and Electric is 67 days.
- Water revenues overall are 9.3% above budget for the month. Industrial customers drove the positive variance by consuming 20% more water than December of last year. Sales for Resale revenues are 8.2% more than budget.
- Operation and Maintenance expenses for December are almost 3% more than budget and almost 9.5% less than budget for the fiscal year-to-date.
- For the month of December, Net Earnings are almost 74% better than the budgeted loss, and the fiscal year-to-date net earnings are more than 3 times budget, the result of higher revenues and equally lower operating expenses.

**9. PROJECTS / INITIATIVES UPDATE**

Director of Utilities Gaudet introduced Aaron Brooks, who has recently been promoted to Utility Analytics Specialist, and Hollis C. McKee, Energy Engineer. Both employees will be working in the Key Accounts department of Groton Utilities.

Manager Roche gave an update on the following projects:

- A Request for Proposal for Safety Consulting services has gone out to bid. Upon review of the submitted bids, Management will make a recommendation to the Utilities Commission.
- Management has received a check for \$380,000 for the Trails Corner Substation transformer repairs. Approximately \$900,000 will be reimbursed.
- Due to increased tree trimming and installation of animal guards, there was only one (1) outage during the month.

Mayor Galbraith asked for an update on the SolarCity solar project. Manager Stevens reported the project has received Siting Council approval and the Land Use Permit application has been submitted. The timeframe for approval is approximately 60 days.

Manager Stevens reported on the upcoming granulated activated carbon (GAC) filter replacement. It is anticipated Management will present an Action Item for consideration at the February Utilities Commission meeting.

Mayor Galbraith asked when the Water Treatment Plant Rebuild Project was expected to go out to bid. Manager Stevens replied Management would have a better idea after review of the drawings that are to be

submitted by Fay, Spofford, and Thorndike (FST). Director of Utilities reported FST has been purchased by another company, and some turnover has occurred in the Engineering staff.

General Manager Mediavilla gave an update on alternate energy sources projects. It is anticipated a review of a fee schedule to allow Groton Utilities to recoup any expenses for the projects will be reviewed as part of the proposed Cost of Service Study.

**10. OLD BUSINESS**

There was no old business to discuss.

**11. NEW BUSINESS**

There was no new business to discuss.

**12. EXECUTIVE SESSION**

**Commissioner Godley** moved, **Commissioner Duarte** seconded that the Groton Utilities Commission go into Executive Session pursuant to General Statutes section 1-200(6)(E) and 210(b)(5)(A) for the purpose of discussing key account customer contracts / negotiations to include Director of Utilities Gaudet, General Managers Collard and Mediavilla and Energy Engineer McKee.

**Motion carried**

Executive Session commenced at 11:22 a.m.

**13. ADJOURNMENT**

There being no further business, at 11:55 a.m., **Commissioner Duarte** moved, **Commissioner DeMuzzio** seconded a motion to adjourn. **Motion carried.**

Attest:

Paul Duarte  
Clerk